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ABSTRACT

This paper and the accompanying data describe health-related expenditures made by Michigan state government agencies from fiscal year 1978 through fiscal year 1984. Expenditures represented in the data include resources received from the federal government. (The data exclude certain expenditures which might be considered health-related, such as: state appropriations for medical, dental, nursing, and allied health education, school lunch and breakfast programs, and total state employee health insurance costs.) Information is provided on: (1) trends in Michigan's health expenditures; (2) expenditures by health category; (3) expenditures by government agency or department; and (4) fiscal year 1984 appropriations by health category. Tables in this section show each department's appropriation as a dollar amount, as a percentage of total state appropriations for the health category, as a percentage of the department's total health appropriation, and as a percentage of the total state government health appropriation. Each table is followed by a figure which represents the various state departments' participation in the health category. (JD)

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MICHIGAN

HEALTH CARE COSTS REVIEW

Michigan State Government Health Expenditures, 1978-1984

Number 2
February 1984

OFFICE OF HEALTH AND MEDICAL AFFAIRS
DEPARTMENT OF MANAGEMENT AND BUDGET

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P 024006

Health Care Costs Review is a periodic publication of the Office of Health and Medical Affairs devoted to presenting important data and information related to health care costs in Michigan.

The intended function of the series is to present data and the results of research related to health care costs, financing, and reimbursement. Although the papers themselves do not focus primarily on policy implications of the data, it is hoped that the information presented in this series will be used by those who are responsible for formulating and implementing health policy.

Jay G. Endsley, Director
Office of Health and Medical Affairs
Department of Management and Budget
State of Michigan

Previous Title in this Series:

"Personal Health Care Expenditures, 1966 - 1981", Number 1, February 1983

M I C H I G A N
H E A L T H C A R E
C O S T S R E V I E W

Michigan State Government
Health Expenditures,
1978 - 1984

Number 2
February 1984

OFFICE OF HEALTH
AND MEDICAL AFFAIRS

Department of Management
and Budget

State of Michigan

MICHIGAN STATE GOVERNMENT HEALTH EXPENDITURES
FISCAL YEARS 1978 - 1984

Introduction

State government's role in health is important in terms of both the magnitude of state government expenditures and the variety of health-related activities that are supported by state government expenditures. It is the responsibility of state government to determine who will be licensed to provide health services within the state and to enforce regulations to guarantee that appropriate standards of care are maintained. The state is a major payer for medical services, especially for the low-income population. The state has a major health responsibility to assure access to mental health services and to provide services to institutionalized populations. Finally, the state constitutional mandate to promote and protect the public health has resulted in a large number of functions performed, particularly in the categories of preventive and environmental health.

This paper and the accompanying data describe expenditures made by agencies of state government in Michigan over the period from fiscal year 1978 through fiscal year 1984. The data illustrates the magnitude and rate of change in expenditures by department and function. Expenditures presented in the data include resources received from the federal government. However they exclude certain expenditures which could be considered to be health related such as: state appropriations for medical, dental, nursing, and allied health education; school lunch and breakfast, and total state employee health insurance cost.

The role of state government in financing, regulating, and providing health services is obviously important. The purpose of this paper is to provide an improved basis for the ongoing

assessment of state government priorities and to aid in the continuing effort to achieve the fairest and most efficient allocation of limited resources. The review of state government health expenditures is intended to facilitate not only an analysis and comparison among the various types of state government health expenditures, but also a comparison of health expenditures with non-health expenditures.

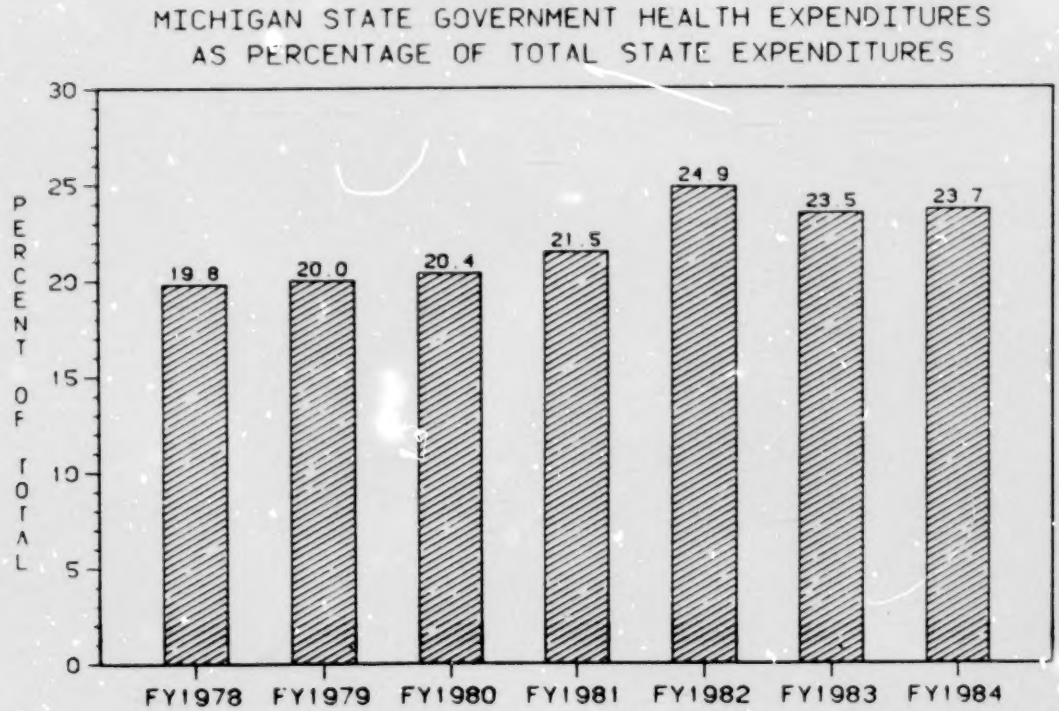
A similar paper, reviewing expenditures from fiscal year 1978 through fiscal year 1982, was published in September of 1982 as part of the series Issues in Health Policy, also published by the Office of Health and Medical Affairs. This paper updates data presented in that publication by substituting actual expenditures for fiscal years 1981 and 1982 in place of appropriated dollars. Additionally, this paper extends the period of review by including appropriated dollars for fiscal years 1983 and 1984.

Trends in Total State Government Health Expenditures

From fiscal year 1978 through the projected expenditures for fiscal year 1984, state government health expenditures have grown from 19.6 percent to 23.7 percent of the total state budget. To state this another way, nearly 1 out of every 4 dollars spent by state government is for a health-related activity. Figure 1 illustrates the increasing proportion of the total state government dollar allocated to health.

Because the years covered in this paper were ones of substantial inflation, it is useful to look at both nominal growth and real growth of health expenditures, (i.e., adjusted for inflation). Without adjusting for inflation, growth in health expenditures from 1978 to 1984 is 77 percent. This compares with a 57 percent increase in Michigan personal income, a 48 percent increase in total state government expenditures, and a 40 percent increase in state general fund expenditures. After accounting for inflation, total state government health expenditures still grew by 18 percent. This compares with a real

FIGURE 1



growth rate of 4 percent for Michigan personal income, -2 percent for total state government expenditures, and -7 percent for state general fund expenditures.

Table 1 and Figure 2 help to place the growth of state government health expenditures in perspective. The data is displayed in the form of index numbers to allow comparisons of the relative growth in categories. The figures clearly show that state government health expenditures have outpaced aggregate state government expenditures and, indeed, have outpaced the rate of increase in Michigan personal income. This latter fact is noteworthy because personal income is a measure of resource availability. Aggregate consumption can increase only if income increases. If any state government expenditure category increases at a rate faster than per capita income--as health expenditures have--then the relative size of some other category must shrink. Because of the state's previous and current economic condition and the desire to limit state government

expenditures, the state budget is, in effect a "zero sum" situation: increases in expenditures can be made only by making concurrent cuts in other programs.

Table 1

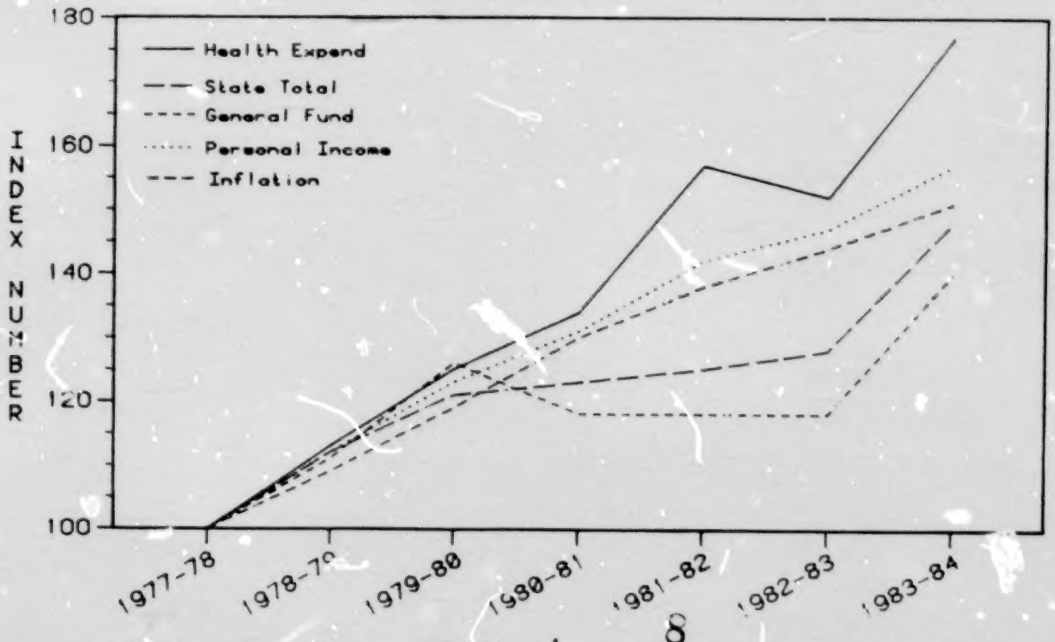
INDEX OF SELECTED EXPENDITURES

	Total State Govt. Health Expenditures	Total State Government Expenditures	Total State GF Expenditures	Michigan Personal Income	Inflation**
1978	100	100	100	100	100
1979	113	112	111	112	109
1980	125	121	126	123	119
1981	134	123	118	131	130
1982	157	125	118	142	138
1983*	152	128	118	147	144
1984*	177	148	140	157	151
	increase of 77% since 1978	increase of 48% since 1978	increase of 40% since 1978	increase of 57% since 1978	increase of 51% since 1978

* appropriated
**1978-82 from Economic Indicators, BEA
1983-84 from CHASE Econometrics

FIGURE 2

INDICES FOR CATEGORIES OF STATE BUDGET AND MICHIGAN INCOME, FY1977-78 = 100



Expenditures by Health Category

To show the different purposes of state government health expenditures, resources were classified into nine categories. Table 2 displays the average allocation to each of the categories over the seven years covered by the review. Notable is the large percentage of expenditures allocated for the two treatment categories. The size of the percentage should not be unexpected, as the state Mental Health program accounts for most of the direct treatment expenditures and the state Medicaid program accounts for most of the expenditures to finance treatment.

Table 2

HEALTH EXPENDITURES BY CATEGORY
AS A PERCENTAGE OF TOTAL
STATE GOVERNMENT HEALTH EXPENDITURES
FY78-84 AVERAGE*

Category	Percent of Total Health Expenditures
Detection/S...ing	0.97
Environmental Health	1.85
Health Data, Evaluation, Planning, and Policy	0.37
Health Education and Promotion	0.40
Prevention	5.73
Regulation	1.81
Research	0.08
Treatment (Direct)	31.43
Treatment (Financing)	57.38
	100.00**

* FY83 and FY84 are appropriated dollars

** does not equal 100% due to rounding

It is useful to understand the magnitude of the health related expenditures and how, for example, a one percent shift from the treatment category would affect other categories. Table 3 combines the nine categories into four related areas, displaying both total expenditures and percentages of total health expenditures. For fiscal year 1984, a one percent reallocation from treatment services ($25.1 Million) to prevention-related

services would result in a 14 percent increase in prevention dollars. Table 3 is also useful in reviewing relative percentage increases within the categories. For fiscal year 1984, prevention-related appropriations increased substantially from the previous year (approximately $20 million); however, as a percentage of total health appropriations, prevention decreased, due to the larger increases for the treatment categories.

Table 3

STATE GOVERNMENT HEALTH EXPENDITURES BY CATEGORIES
(FY78-84)

Fiscal Year	Treatment		Prevention-Related		Environment		Other Health		Total	
	thousands	%	thousands	%	thousands	%	thousands	%	thousands	%
1978	1,403,892	88.4	110,954	7.0	31,041	2.0	42,679	2.6	1,588,566	100
1979	1,570,043	87.6	141,341	7.9	30,095	1.7	50,036	2.8	1,791,515	100
1980	1,753,381	88.3	159,915	8.1	32,234	1.6	41,263	2.0	1,986,793	100
1981	1,890,028	89.0	149,904	7.1	34,031	1.6	50,764	2.3	2,124,727	100
1982	[illegible]	[illegible]	154,007	6.2	39,508	1.6	44,890	1.8	2,490,241	100
1983*	2,138,450	88.8	165,710	6.8	53,752	2.2	49,633	2.2	2,407,545	100
1984*	2,513,683	89.4	184,653	6.6	61,549	2.2	53,092	1.8	2,812,977	100

*appropriated

Figure 3 provides a graphic display of the growth of the categories compared to the rate of inflation. As is evident, both the treatment and preventive categories have grown at a rate faster than inflation. Spending on environmental health has lagged behind the rate of inflation, but is projected to rise considerably through fiscal year 1984, largely as a result of increased federal funding.

While much effort is being made to address health care cost generally, it would be a mistake to conclude that any increase in a category of health care spending is cause for concern. As circumstances change over time, it is expected that the allocation of health dollars to various functions will change. In fact, many observers of the health care system have argued that it would be especially cost-effective to increase the

proportion of dollars allocated to preventive-related services relative to those spent on treatment services. Figure 4 suggests that movement has not occurred.

FIGURE 3

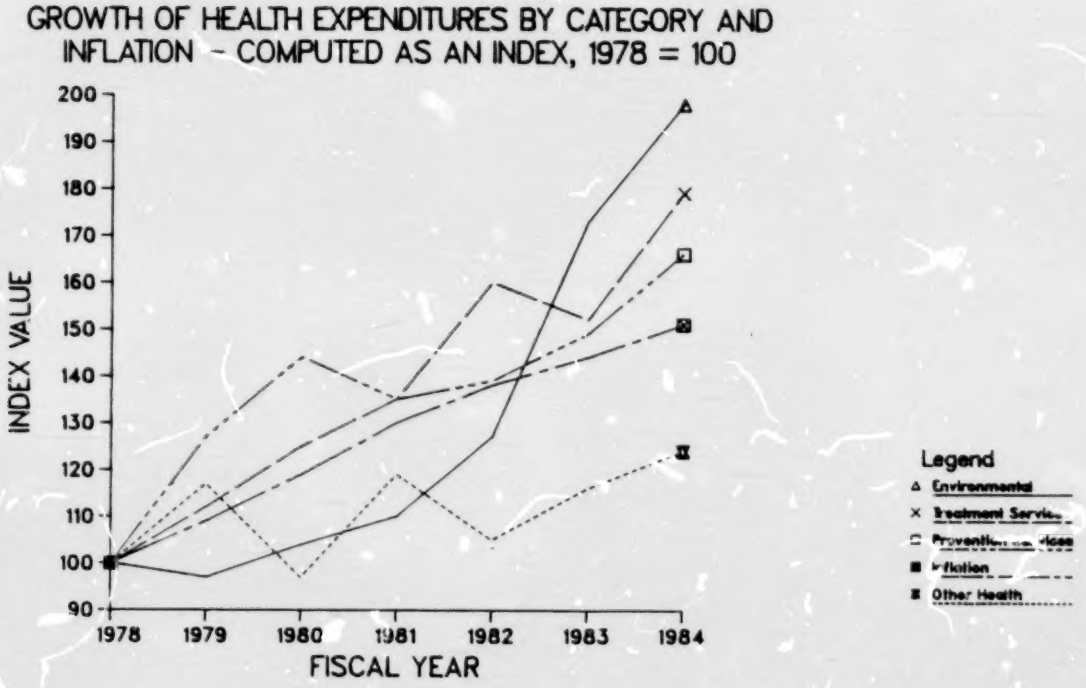
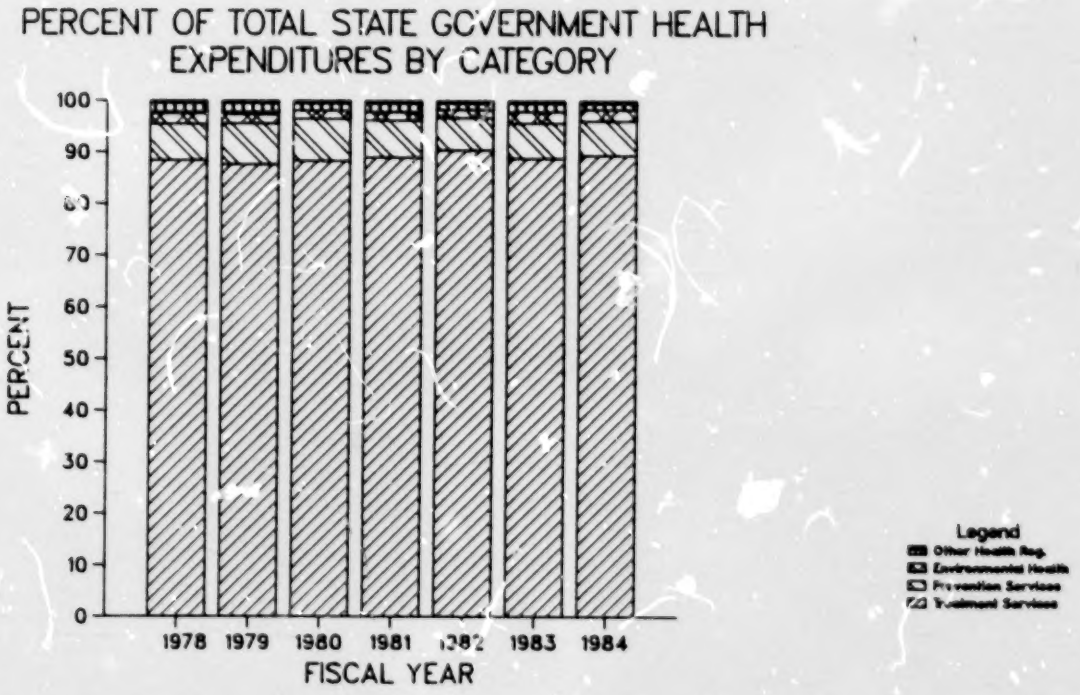


FIGURE 4



Expenditures by Department

When people think of the state's role in health, they are likely to think first of programs within the Departments of Public Health or Mental Health. But other departments also have significant roles in the delivery of health care services and allocate resources to carry out their responsibility. This would include, for example, such departments as Licensing and Regulation for the licensing of health professionals and regulating the insurance industry; State Police for maintaining health education and planning programs for highway safety; Civil Service for administering a health screening program for state employees; or Labor for their occupational safety programs. The point to be made is that health-related services are widely spread over the various departments of state government. During

the seven fiscal years covered by this paper, 15 of the 19 departments of state government allocated funds for health purposes. Table 4 ranks the departments in order based upon health-related appropriations for fiscal year 1984. While a broadening of the state's role in health has occurred over this period, it does not appear to be a significant factor in explaining the increased health care expenditures by state government. Rather, the increase in total expenditures appears to be the result of growth of particular programs, most notably those in the treatment categories.

Table 4

RANKING OF DEPARTMENTS BY PERCENTAGE OF DEPARTMENT'S TOTAL STATE HEALTH APPROPRIATION
(FY84 Appropriations)

Rank	Department	Percent
1	Social Services	57.2
2	Mental Health	26.4
3	Public Health	8.2
4	Natural Resources	1.7
5	Labor	1.7
6	Education	1.3
7	Corrections	1.0
8	Management and Budget	0.7
9	State Police	0.6
10	Commerce	0.4
11	Agriculture	0.3
12	Transportation	0.2
13	Licensing and Regulation	0.1
14	Attorney General	0.1
15	Civil Service	0.08
16	Civil Rights	--
17	Military Affairs	--
18	State	--
19	Treasury	--

While the percentages of health expenditures for the majority of the departments is low, the absolute dollars expended

are considerable. For example, the Department of Civil Service's health-related appropriations for fiscal year 1984 represent 0.03 percent of all state government health expenditures. However, this amounts to $2.2 million dollars, clearly a significant sum.

Table 5

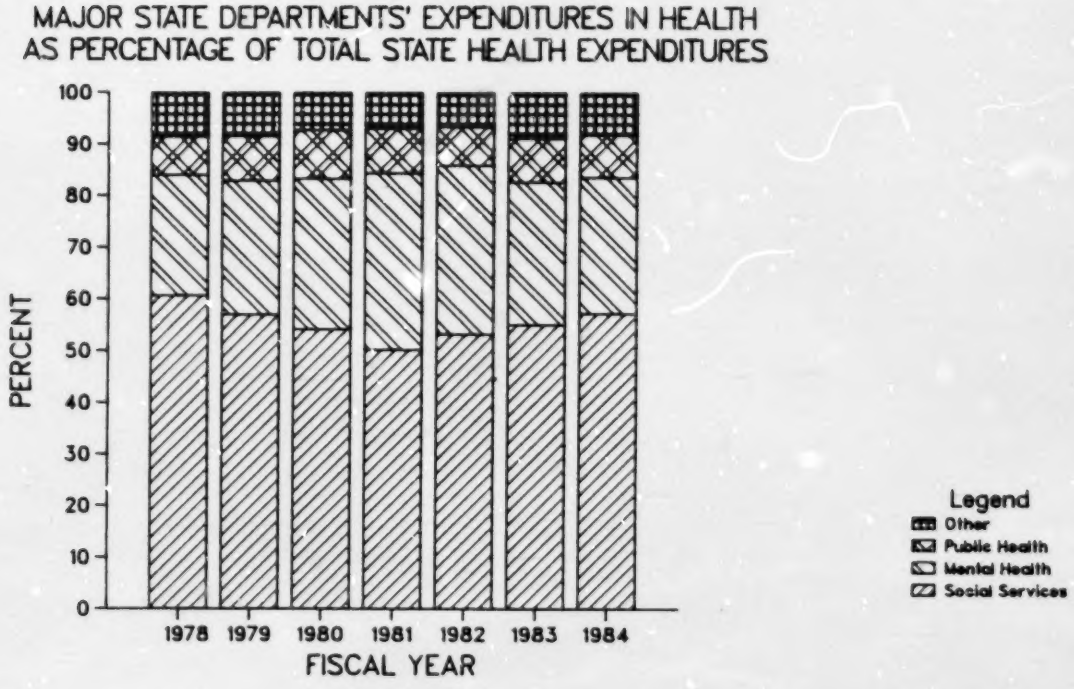
MAJOR STATE DEPARTMENTS EXPENDITURES IN HEALTH
AS PERCENTAGE OF TOTAL STATE HEALTH EXPENDITURES

FY	MDSS	MDMH	MDPH	OTHER
1978	60.6	23.4	7.4	8.6
1979	56.9	26.0	8.6	8.5
1980	54.1	29.2	9.4	7.3
1981	50.2	34.2	8.6	7.0
1982	53.2	32.7	7.4	6.7
1983*	55.0	27.7	8.4	8.9
1984*	57.2	26.4	8.2	8.2

*appropriated dollars

Table 5 and Figure 5 show that the bulk of state government health expenditures are made by the Departments of Social Services, Mental Health, and Public Health. The total of these three departments equals 91.8 percent of all state government health resources appropriated for the fiscal year 1984. Both Table 5 and Figure 5 indicate that this percentage has been consistent over time. Of the three departments in fiscal year 1984, Social Services and Mental Health, combined, account for 83.6 percent of the state health budget and Public Health for 8.2 percent. The remaining 12 departments, collectively, account for a level of appropriations approximately equal to that received by the Department of Public Health. The 1984 fiscal year appropriation for the Department of Public Health is $229.7 million. The appropriations of the departments, other than Social Services, Mental Health, or Public Health, are $231.8 million. Thus, despite the relatively small percentage which each of these other departments allocates to health, the cumulative total is large enough to warrant careful consideration as health policy is developed and implemented.

FIGURE 5



While a comparison among departments is useful in determining relative priorities of health responsibility, another way of evaluating a department's health expenditure is to compare that expenditure to the total expenditure of the department. This type of analysis reveals an indication of the importance of the health-related services provided by the respective department compared to the overall mission of the department. It is important to consider that even if the health expenditure comprises a small proportion of a department's budget, the expenditure may be significant as part of a coordinated state strategy in addressing a particular health issue, or may constitute a large amount in actual dollars due to the size of a department's budget. Table 6 provides the data for this analysis.

Table 6

DEPARTMENTAL HEALTH EXPENDITURES
AS A PERCENTAGE OF
TOTAL DEPARTMENTAL EXPENDITURES
FY1978-84

Category	FY78	FY79	FY80	FY81	FY82	FY83*	FY84*
Agriculture	41.8	28.8	22.9	27.9	24.6	21.9	21.8
Attorney General	-	7.0	7.5	8.7	9.9	12.0	11.3
Civil Service	12.4	11.4	10.0	10.1	13.9	19.1	14.1
Commerce	21.1	19.5	7.8	19.1	2.0	5.5	5.4
Corrections	8.9	11.4	10.0	10.7	8.9	10.0	10.0
Education	1.7	1.9	2.3	6.5	3.3	8.7	8.8
Labor	8.8	10.0	9.2	9.3	21.5	27.6	13.1
Licensing/Regulation	40.9	43.7	40.5	37.8	20.7	27.1	20.8
Management/Budget	27.7	27.5	17.9	14.4	18.8	2.0	2.5
Mental Health	100.0	100.0	00.0	100.0	100.0	100.0	100.0
Natural Resources	12.4	14.1	17.8	18.6	19.0	24.5	26.6
Public Health	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Social Services	42.7	42.3	37.7	34.3	40.4	38.6	39.8
State Police	13.0	13.5	13.5	8.7	8.2	13.6	11.5
Transportation	4.1	1.2	1.6	0.7	1.4	1.4	1.0

* appropriated dollars

FISCAL YEAR 1984 APPROPRIATIONS BY FUNCTIONAL CATEGORY

The Michigan Legislature has completed action on the fiscal year 1984 health-related appropriations. Appropriated dollars tend to represent a higher amount than actual expenditures for a given fiscal year. This is due to several circumstances, including federal or special revenue funds received in lesser amounts than anticipated, or executive order cuts. However, the percentages within the functional categories have been similar regardless of whether the context is appropriated dollars or actual expenditures. Tables 7 through 14 and Figures 6 through 13, found at the end of this section, provide the data for this analysis. The tables show each department's appropriation as a dollar amount, as a percentage of total state appropriations for the functional category, as a proportion of the department's total health appropriation, and as a percentage of the total state government health appropriation. Each table is followed by a figure which provides a graphic representation of the various state departments' participation in the functional category.

Fiscal Year 1984 Appropriations for Detection and Screening Services

Detection and Screening Services make possible early diagnosis or detection of various diseases or indicate deterioration of health status. Treatment can thus begin earlier than might occur otherwise, thereby reducing the need in some instances for subsequent expensive and intensive care. The 1984 appropriations, displayed in Table 7, represent a significant increase in dollars allocated to this category from previous years. However, the appropriated amount represents 0.95 percent of the total state government health expenditures, compared with an average percentage of 0.97 over the 1978-84 period. As shown in Figure 6, appropriations are allocated to three departments, with the Department of Public Health accounting for the majority. The total appropriated amount is $26.6 million.

Fiscal Year 1984 Appropriations for Environmental Health Protection Services

The area of Environmental Health Protection Services has experienced much growth over the seven year period covered by this paper. Much of the growth which has taken place within the last several years is due to increased federal aid. As displayed in Table 8 the overall appropriation for this category is $61.5 million. Included within this area are programs addressing such problems as air and water quality, community environmental health, radiological health, and toxic substances. The percentage of total state government health appropriations represented by environmental health protection is 2.2 percent, well above the 1978-84 average of 1.85 percent. Figure 7 identifies the departments involved in this category.

Fiscal Year 1984 Appropriations for Health Data, Evaluation, Planning and Policy Services

The appropriations in this category are related to the following activities: analysis of data related to health status and the delivery and financing of health services; the assessment of health programs; and the development of planning and policy recommendations for the health system. As Table 9 indicates, there are seven departments involved in these activities, accounting for $12.6 million in appropriations. This represents 0.45 percent of total state government health appropriations. Figure 8 provides details of the multi-departmental involvement in this category.

Fiscal Year 1984 Appropriations for Health Education and Promotion Services

A health education and promotion service is generally thought of as a primary prevention program and, consequently, as an essential component for disease prevention strategies. As the

major threats to health have changed throughout this century, the approach to combating disease and illness has also changed. The medical problems from which people suffer are less and less infectious diseases--that is, invasions of the body which are largely beyond an individual's control--and more and more diseases that are the result of living habits that are subject to individual choices. The burden placed on the treatment system is largely a consequence of failure to practice or be aware of healthful living habits.

Over the past several years, state and private agencies are becoming more convinced of the efficacy of health education and promotion programs, particularly as part of a general cost-containment strategy. Table 10 indicates that the involvement of various departments has resulted in the appropriation of $12.5 million for fiscal year 1984, or for 0.45 percent of total health appropriations. This is compared to a 1978-84 average of 0.40 percent. Figure 9 displays the departments which are involved in this category.

Fiscal Year 1984 Appropriations for Prevention Services

Prevention services have received more attention and discussion over the past several years than previously. This attention, as argued by proponents, is justified by evidence that preventive services are a cost-effective method of maintaining and improving health status. Whether the program is focused on prenatal care, highway safety, or assuring adequate nutrition, the consensus is that preventive activity is far superior to waiting until a condition requires treatment.

As noted in Table 11, the prevention appropriations amount to 5.[illegible]ercent of total state government health appropriations. This percentage is less than the 1978-84 average of 5.73, and indicates that the consensus on the value of prevention has not yet been translated into resource support. This fact is

noteworthy in view of the opinion that prevention is perhaps one of the more promising ways to reduce expenditures for treatment services. Figure 10 displays the various departments involved in this category.

Fiscal Year 1984 Appropriations for Regulation Services

Perhaps no other category of service provided by government has received as much adverse attention as regulation. While criticism is directed at all aspects of governmental regulation, it is generally agreed that some degree of regulation is vital in the health area--particularly with respect to licensing and inspection of health facilities, licensing of health professionals, and food and dairy inspection.

Table 12 outlines the involvement of the state in health regulation. It is interesting to note that regulation accounts for 1.43 percent of total state government health appropriations, representing a decline from the 1978-1984 average of 1.81 percent. Figure 11 is an indication that the responsibility for regulatory functions are more evenly spread across state departments than other health functions.

Fiscal Year 1984 Appropriations for Research

This category constitutes the smallest portion of state government expenditures, 0.08 percent of all health expenditures for the 1978-84 period. The 1984 appropriation is 0.01 percent of all state health appropriations. It is likely that other health-related research is supported by state-administered programs; however, it is impossible to determine that appropriation from the data used for this analysis.

Fiscal Year 1984 Appropriations for Treatment Services (Direct)

This category includes state programs which, directly or by contractual agreement, provides direct care to individuals.

Examples of this include prison health services, crippled children clinics, state mental institutions, developmental disability centers, and state support for community mental health.

Table 13 exhibits the appropriations for this category. The total amount, $824.6 million, accounts for 29.32 percent of total state government health appropriations. Figure 12 displays the departmental involvement, with the Department of Mental Health receiving the majority of appropriations.

Fiscal Year 1984 Appropriations for Treatment Services (Financing)

The financing of treatment services constitutes the largest category of state government health appropriations. Appropriations for 1984, as noted in Table 14, amount to $1.7 billion, or slightly more than 60 percent of all state government health appropriations.

Because this functional category accounts for approximately $6 out of every $10 appropriated for health services by state government, much effort has been directed in reducing its size, both in absolute terms and relative to the other health categories. Figure 13 identifies the departments involved, clearly showing the impact of the Department of Social Services' involvement through the Medicaid program.

A major difficulty in reducing the resources allocated for treatment services is the fear of compromising the state's commitment in providing access to treatment services for needy persons. On the other hand, efforts to reduce expenditures in this area can have a large impact on the other health categories if the reduced expenditures for treatment can be reallocated to other health categories.

Table 7

DETECTION AND SCREENING APPROPRIATIONS
BY DEPARTMENT AND AS PERCENTAGE OF TOTAL DETECTION/SCREENING
APPROPRIATIONS, TOTAL DEPARTMENT HEALTH APPROPRIATIONS,
AND TOTAL STATE GOVERNMENT HEALTH APPROPRIATIONS
FY84
(Appropriated dollars)

Department	Detection/ Screening Appropriations (in thousands)	Appropriation as Percentage of Total State Detection/Screening Appropriations	Appropriation as percentage of total departmental Health Appropriations	Appropriation as percentage of total state Health Appropriations
Civil Service	2,152	8.0	100.0	0.01
Mental Health	99	0.4	0.1	--
Public Health	24,389	91.6	10.6	0.87
TOTAL	26,640	100.0	N.A.	0.95

FIGURE 6

THE PERCENTAGE OF TOTAL DETECTION AND SCREENING
APPROPRIATIONS BY DEPARTMENT FY84

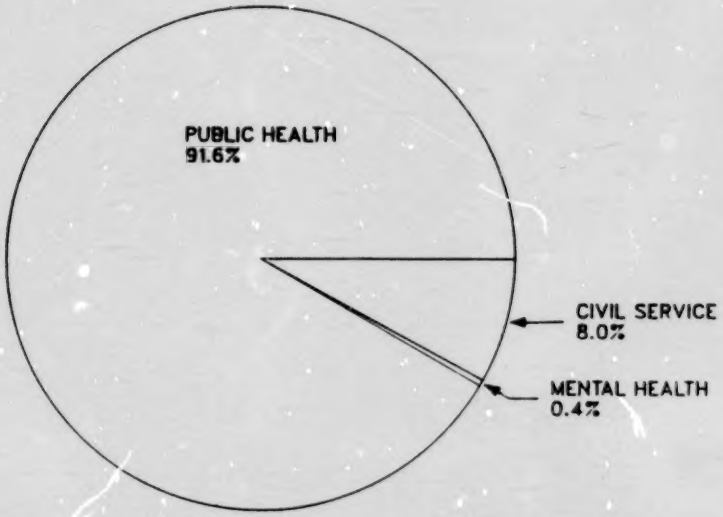


Table 8

ENVIRONMENTAL HEALTH PROTECTION APPROPRIATIONS BY DEPARTMENT AND AS PERCENTAGE OF TOTAL ENVIRONMENTAL HEALTH PROTECTION APPROPRIATIONS, TOTAL DEPARTMENTAL HEALTH APPROPRIATIONS, AND TOTAL STATE GOVERNMENT HEALTH APPROPRIATIONS FY84
(Appropriated Dollars)

Department	Environmental Health Protection Appropriations (thousands)	Appropriation as Percentage of total State Environmental Health Protection Appropriations	Appropriation as Percentage of total department Health Appropriations	Appropriation as percentage of total state Health Appropriations
Agriculture	1,746	2.8	22.2	0.06
Commerce	56	0.1	0.5	--
Management and Budget	591	0.9	2.9	0.02
Natural Resources	47,404	77.0	100.0	1.70
Public Health	11,758	19.1	5.1	0.42
TOTAL	61,549	100.0*	N.A.	2.20

*-does not equal 100% due to rounding

FIGURE 7

THE PERCENTAGE OF TOTAL ENVIRONMENTAL HEALTH PROTECTION APPROPRIATIONS BY DEPARTMENT (FY84)

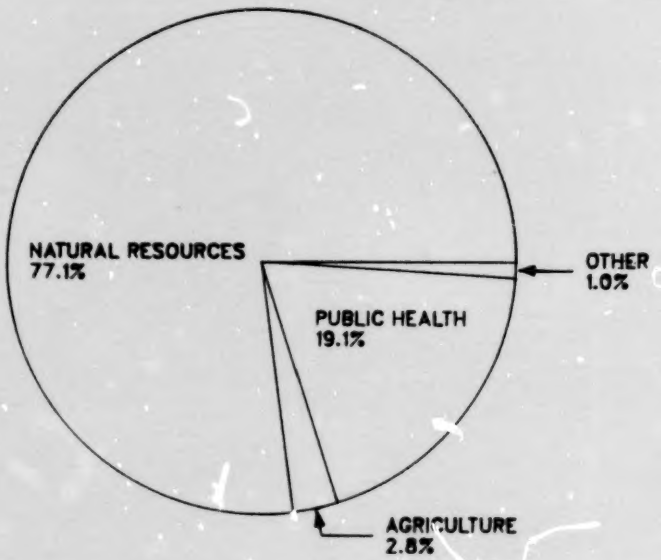


Table 9

HEALTH DATA, EVALUATION, PLANNING AND POLICY APPROPRIATIONS
BY DEPARTMENT AND AS PERCENTAGE OF TOTAL HEALTH DATA,
EVALUATION, PLANNING AND POLICY APPROPRIATIONS,
TOTAL DEPARTMENTAL HEALTH APPROPRIATIONS AND
TOTAL STATE GOVERNMENT HEALTH APPROPRIATIONS
FY84
(Appropriated dollars)

Department	Health Data, Evaluation, Planning and policy Appropriations (in thousands)	Appropriation as Percentage of total state health data, evaluation, planning and policy appropriations	Appropriation as Percentage of total department health appropriations	Appropriation as Percentage of total state health Appropriations
Corrections	841	6.7	3.2	0.03
Labor	363	2.9	0.8	0.01
Management and Budget	1,123	8.9	5.5	0.04
Mental Health	2,624	20.9	0.4	0.09
Public Health	2,968	23.6	1.3	0.11
Social Services	2,170	17.2	0.1	0.08
State Police	2,482	19.7	14.3	0.09
Total	12,571	100.0	N.A.	0.45

FIGURE 8

THE PERCENTAGE OF TOTAL HEALTH DATA, EVALUATION, PLANNING AND POLICY APPROPRIATIONS BY DEPARTMENT (FY84)

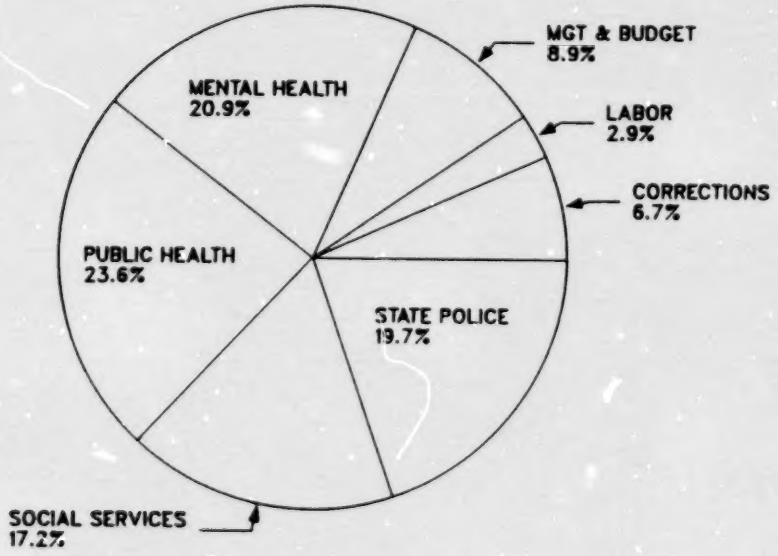


Table 11

HEALTH EDUCATION AND PROMOTION APPROPRIATIONS BY DEPARTMENT, AND AS A PERCENTAGE OF TOTAL STATE HEALTH EDUCATION AND PROMOTION SERVICES, TOTAL DEPARTMENT HEALTH APPROPRIATIONS, AND TOTAL STATE HEALTH APPROPRIATIONS FY84 (Appropriated dollars)

Department	Health Education and Promotion Appropriations (in thousands)	Appropriation as Percentage of total state health education and promotion appropriations	Appropriation as Percentage of total department health appropriations	Appropriation as Percentage of total state health appropriations
Education	192	1.5	0.5	0.01
Labor	4,021	32.1	8.3	0.14
Public Health	5,822	46.5	2.5	0.21
State Police	2,482	19.8	14.3	0.09
Total	12,517	100.0*	N.A.	0.45

*--does not equal 100% due to rounding

FIGURE 9

THE PERCENTAGE OF TOTAL HEALTH EDUCATION AND PROMOTION APPROPRIATIONS BY DEPARTMENT (FY84)

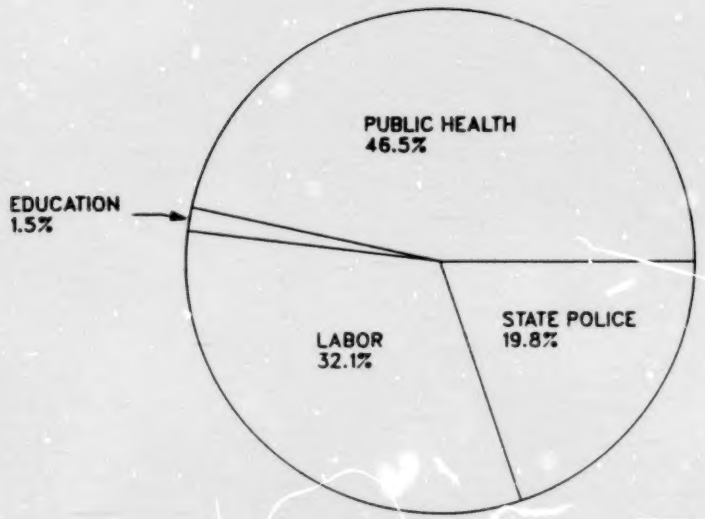


Table 11

PREVENTION APPROPRIATIONS BY DEPARTMENT,
AND AS A PERCENTAGE OF TOTAL STATE PREVENTION
APPROPRIATIONS, TOTAL DEPARTMENT HEALTH APPROPRIATIONS,
AND TOTAL STATE HEALTH APPROPRIATIONS
FY84
(appropriated dollars)

Department	Prevention Appropriations (in thousands)	Appropriations as Percentage of total state prevention appropriations	Appropriations as Percentage of total department health Appropriations	Appropriations as percentage of total state health appropriations
Labor	1,386	1.0	2.9	0.05
Management and Budget	18,709	12.9	91.6	0.67
Mental Health	1,763	1.2	0.2	0.06
Public Health	106,593	73.3	46.4	3.79
State Police	10,086	6.9	58.1	0.36
Transportation	6,959	4.8	150.0	0.25
Total	145,496	100.0*	N.A.	5.18

*-does not equal 100% due to rounding

FIGURE 10

THE PERCENTAGE OF TOTAL PREVENTION
APPROPRIATIONS BY DEPARTMENT (FY84)

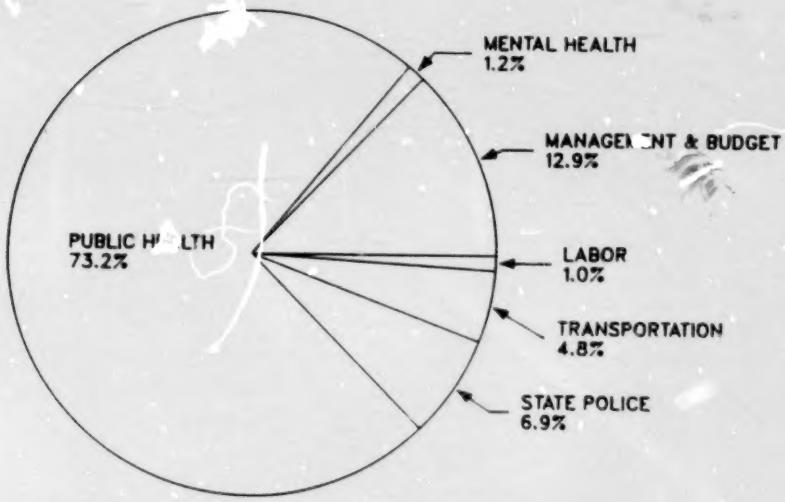


Table 12

REGULATION APPROPRIATIONS BY DEPARTMENT, AND AS A PERCENTAGE OF TOTAL STATE HEALTH REGULATION APPROPRIATIONS, TOTAL DEPARTMENT HEALTH APPROPRIATIONS, AND TOTAL STATE HEALTH APPROPRIATIONS
FY84
(Appropriated dollars)

Department	Regulation Appropriations (in thousands)	Appropriation as percentage of total state health regulations appropriation	Appropriation as parcentage of total department health appropriation	Appropriation as percentage of total state health appropriations
Agriculture	6,092	15.2	77.8	0.22
Attorney General	3,037	7.6	100.0	0.11
Commerce	10,776	26.9	99.5	0.38
Labor	3,938	9.8	8.1	0.14
Licensing/Regulation	3,300	8.2	100.0	0.12
Public Health	9,556	23.8	4.2	0.34
Social Services	1,134	2.8	0.07	0.04
State Police	2,295	5.7	13.2	0.08
Total	40,128	100.0	N.A.	1.43

FIGURE 11

THE PERCENTAGE OF TOTAL REGULATION APPROPRIATIONS BY DEPARTMENT (FY84)

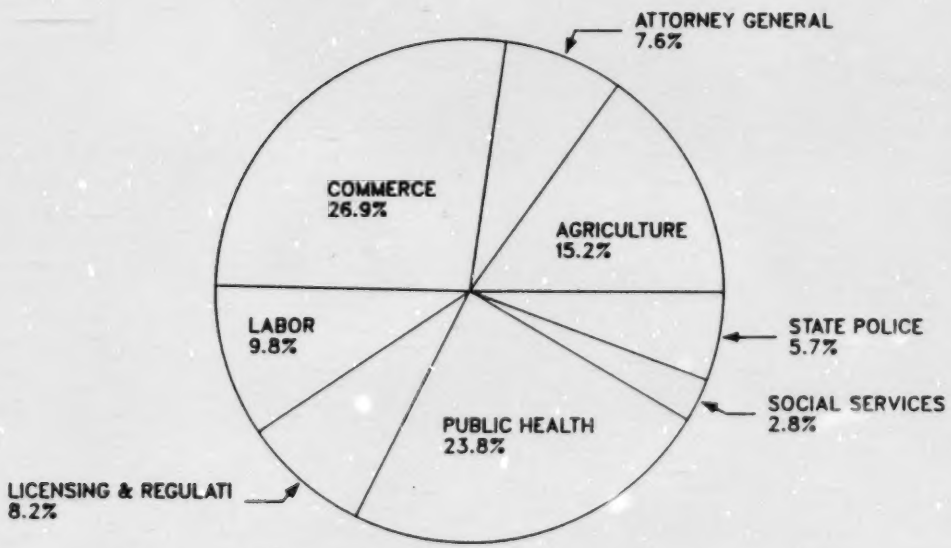


Table 13

TREATMENT SERVICES (DIRECT) APPROPRIATIONS,
BY DEPARTMENT AND AS PERCENTAGE OF
TOTAL STATE TREATMENT SERVICES (DIRECT) APPROPRIATIONS,
TOTAL DEPARTMENT HEALTH APPROPRIATIONS,
AND TOTAL STATE HEALTH APPROPRIATIONS
FY84
(Appropriated Dollars)

Department	Treatment (Direct) Appropriations (in thousands)	Appropriation as percentage of total state treatment (direct) appropriations	Appropriation as percentage of total department health appropriations	Appropriation as percentage of total state health appropriations
Corrections	24,834	3.0	92.9	0.88
Education	22,898	2.8	61.3	0.82
Mental Health	736,975	89.4	99.4	26.20
Public Health	39,920	4.8	17.4	1.42
Total	824,627	100.0	N.A.	29.32

FIGURE 12

THE PERCENTAGE OF TOTAL TREATMENT SERVICES
(DIRECT) BY DEPARTMENT (FY84)

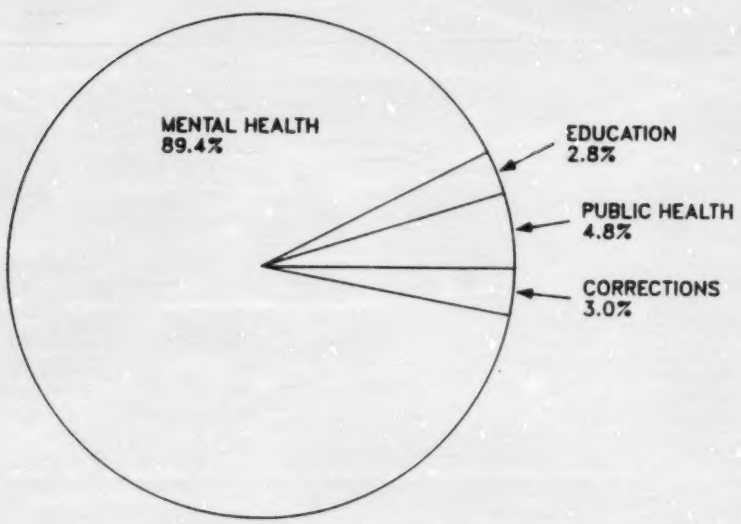


Table 14

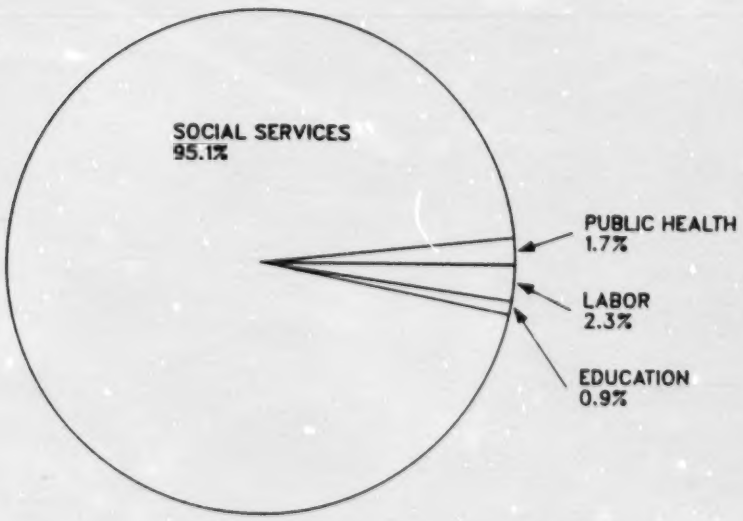
TREATMENT (FINANCING) APPROPRIATIONS BY DEPARTMENT
AND AS PERCENTAGE OF TOTAL STATE TREATMENT (FINANCING)
APPROPRIATIONS, TOTAL DEPARTMENT HEALTH APPROPRIATIONS,
AND TOTAL STATE HEALTH APPROPRIATIONS
FY84
(Appropriated dollars)

Department	Treatment (financing) Appropriations (in thousands)	Appropriation as percentage of total state treatment (financing) Appropriations	Appropriation as percentage of total department health Appropriations	Appropriation as percentage of total state health Appropriations
Corrections	1,052	0.06	3.94	0.04
Education	14,278	0.85	38.21	0.51
Labor	38,747	2.29	79.96	1.38
Public Health	28,288	1.67	12.32	1.00
Social Services	1,606,691	95.12	99.79	57.12
Total	1,689,056	100.0*	N.A.	60.05

*-does not equal 100% due to rounding

FIGURE 13

THE PERCENTAGE OF TOTAL TREATMENT SERVICES
(FINANCING OF) APPROPRIATIONS BY DEPARTMENT (FY84)



Appendix A

LIST OF TABLES

Table A Total State Government Health Expenditures by Category FY1978-84

Table B Total State Government Health Expenditures by Category as Percentage FY1978-84

Table C State Government Health Expenditures by Category by Department FY1978

Table D State Government Health Expenditures by Category by Department FY1979

Table E State Government Health Expenditures by Category by Department FY1980

Table F State Government Health Expenditures by Category by Department FY1981

Table G State Government Health Expenditures by Category by Department FY1982

Table H State Government Health Appropriations by Category by Department FY1983

Table I State Government Health Appropriations by Category by Department FY1984

Table A

TOTAL STATE GOVERNMENT HEALTH EXPENDITURES BY CATEGORY
(in thousands)
Fiscal Year 1978 - Fiscal Year 1984

Categories	FY78 Actual	FY79 Actual	FY80 Actual	FY81 Actual	FY82 Actual	FY83*	FY84*
Detection and Screening	$ 7,437	$ 19,305	$ 24,967	$ 22,846	$ 22,404	$ 24,502	$ 26,640
Environmental Protection	31,041	30,095	32,234	34,031	39,508	53,752	61,549
Health Data, Evaluation, Planning & Policy	4,374	8,126	8,509	6,907	5,740	10,047	12,571
Health Education	4,114	5,842	8,479	9,220	10,060	12,604	12,517
Prevention	99,403	116,194	126,469	117,838	121,543	128,604	145,496
Regulation	36,120	39,383	31,213	41,949	37,555	38,991	40,128
Research	2,185	2,527	1,541	1,908	1,595	595	393
Treatment (Direct)	411,670	523,473	649,967	788,661	876,965	736,979	824,627
Treatment (Financing)	992,222	1,046,570	1,103,414	1,101,367	1,374,871	1,401,471	1,689,056
TOTAL	$1,588,566	$1,791,515	$1,986,793	$2,124,727	$2,490,241	$2,407,545	$2,812,977

*Appropriated dollars; FY1983 includes Executive Order reductions.

Table B

TOTAL STATE GOVERNMENT HEALTH EXPENDITURES BY CATEGORY AS PERCENTAGES
Fiscal Year 1978 - Fiscal Year 1984*

Categories	FY78 Actual	FY79 Actual	FY80 Actual	FY81 Actual	FY82 Actual	FY83**	FY84**	FY78-84 Average
Detection and Screening	0.47%	1.07%	1.26%	1.08%	0.90%	1.02%	0.95%	0.97%
Environmental	2.00%	1.68%	1.62%	1.60%	1.60%	2.23%	2.20%	1.85%
Health Data, Evaluation, Planning & Policy	0.28%	0.45%	0.43%	0.33%	0.23%	0.42%	0.45%	0.37%
Health Education & Promotion Services	0.26%	0.33%	0.43%	0.43%	0.40%	0.52%	0.45%	0.40%
Prevention Services	6.30%	6.50%	6.40%	5.55%	4.88%	5.34%	5.20%	5.73%
Regulation	2.30%	2.20%	1.60%	1.97%	1.50%	1.62%	1.43%	1.81%
Research	0.14%	0.14%	0.08%	0.09%	0.06%	0.02%	0.01%	.08%
Treatment (Direct)	25.91%	29.22%	32.71%	37.12%	35.20%	30.61%	29.32%	31.43%
Treatment (Finance)	62.46%	58.42%	55.54%	51.84%	55.21%	58.21%	60.05%	57.38%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

*May not equal 100.00 due to rounding.
**Appropriated dollars; FY1983 includes Executive Order reductions.

Table C

STATE GOVERNMENT HEALTH EXPENDITURES BY CATEGORY BY DEPARTMENT
FY78
(Actual Expenditures)
(In thousands)

	Detection & Screening	Environmental Protection	Health Data, Evaluation, Policy & Planning	Health Education & Promotion	Prevention	Regulation	Research	Treatment (D)	Treatment (F)
Agriculture	--	$12,088	--	--	--	$ 3,748	--	--	--
Attorney General	--	--	--	--	--	--	--	--	--
Civil Service	$1,168	--	--	--	--	--	--	--	--
Commerce	--	--	--	--	--	13,576	--	--	--
Corrections	--	--	--	--	--	--	--	$10,828	$ 1,390
Education	--	--	--	$ 979	--	--	--	13,729	4,809
Labor	--	--	--	1,589	$ 1,402	3,201	--	--	3,682
Licensing Regulati.	--	--	--	--	--	2,781	--	--	--
Management/ Budget	--	73	$ 590	--	21,741	--	--	--	--
Mental Health	105	--	1,430	--	808	--	$ 770	366,471	--
Natural Resources	--	12,586	--	--	--	--	--	--	--
Public Health	6,164	6,293	399	5	52,032	10,126	1,415	20,642	20,733
Social Services	--	--	414	--	--	758	--	--	961,608
State Police	--	--	1,542	1,542	7,692	1,930	--	--	--
Transportation	--	--	--	--	15,730	--	--	--	--
TOTAL	$7,437	$31,041	$4,374	$4,114	$99,403	$36,120	$2,185	$411,670	$992,222
$1,588,566	.47%	2.0%	.28%	.26%	6.3%	2.3%	.14%	25.9%	62.5%

Table D

STATE GOVERNMENT HEALTH EXPENDITURES BY CATEGORY BY DEPARTMENT
FY79
(Actual Expenditures)
(In thousands)

	Detection & Screening	Environmental Protection	Health Data, Evaluation, Policy & Planning	Health Education & Promotion	Prevention	Regulation	Research	Treatment (D)	Treatment (F)
Agriculture	--	$ 5,805	--	--	--	$ 4,321	--	--	--
Attorney General	--	--	--	--	--	1,055	--	--	--
Civil Service	$ 1,116	--	--	--	--	--	--	--	--
Commerce	--	--	--	--	--	15,578	--	--	--
Corrections	--	--	--	--	--	--	--	$17,404	--
Education	--	--	--	$1,329	--	--	--	18,339	$ 4,996
Labor	--	--	$ 142	1,935	$1,417	3,302	--	--	4,869
Licensing & Regulation	--	--	--	--	--	3,470	--	--	--
Management/ Budget	--	180	2,612	--	25,522	--	--	--	--
Mental Health	190	--	1,841	--	1,021	--	$1,029	461,606	971
Natural Resources	--	15,935	--	--	--	--	--	--	--
Public Health	14,535	8,175	543	5	78,789	8,621	1,498	26,122	20,640
Social Services	3,353	--	414	--	--	1,195	--	--	1,016,095
State Police	--	--	2,574	2,574	8,209	1,843	--	--	--
Transportation	--	--	--	--	5,235	--	-	--	--
TOTAL	$19,305	$30,095	$8,126	$5,842	$110,194	$39,383	$2,527	$523,473	$1,046,570
$1,791,515	1.07%	1.68%	0.45%	0.33%	6.49%	2.20%	0.14%	29.22%	58.42%

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Table E

STATE GOVERNMENT HEALTH EXPENDITURES BY CATEGORY BY DEPARTMENT
FY80
(Actual Expenditures)
(In thousands)

	Detection & Screening	Environmental Protection	Health Data, Evaluation, Policy & Planning	Health Education & Promotion	Prevention	Regulation	Research	Treatment (D)	Treatment (F)
Agriculture	--	$ 2,453	--	--	--	$ 4,882	--	--	--
Attorney General	--	--	--	--	--	1,268	--	--	--
Civil Service	$ 1,289	--	--	--	--	--	--	--	--
Commerce	--	--	--	--	--	6,684	--	--	--
Corrections	--	--	--	--	--	806	--	$ 16,848	$ 741
Education	--	--	--	$ 165	--	--	--	25,282	5,851
Labor	--	--	--	2,273	1,338	3,305	--	--	5,758
Licensing & Regulation	--	--	--	--	--	3,367	--	--	--
Management/ Budget	--	--	$3,107	--	16,523	--	--	--	--
Mental Health	186	--	2,129	--	1,140	--	1,004	575,773	--
Natural Resources	--	20,804	--	--	--	--	--	--	--
Public Health	19,757	8,976	376	3,595	91,634	7,454	538	32,063	21,447
Social Services	3,735	--	851	--	--	1,229	--	--	1,069,618
State Police	--	--	2,445	2,445	10,051	2,246	--	--	--
Transportation	--	--	--	--	5,782	--	--	--	--
TOTAL	$24,967	$32,234	$8,509	$8,479	$126,469	$31,213	$1,541	$649,967	$1,103,414
$1,986,793	1%	2%	.5%	.6%	6.5%	2.2%	.02%	25.1%	61.9%

Table F

STATE GOVERNMENT HEALTH EXPENDITURES BY CATEGORY BY DEPARTMENT
FY81
(Actual Dollars)
(In thousands)

	Detection & Screening	Environmental Protection	Health Data, Evaluation, Policy & Planning	Health Education & Promotion	Prevention	Regulation	Research	Treatment (D)	Treatment (F)
Agriculture	--	$ 1,693	--	--	--	$ 4,934	--	--	--
Attorney General	--	--	--	--	--	1,519	--	--	--
Civil Service	$ 1,449	--	--	--	--	--	--	--	--
Commerce	--	267	--	--	--	15,089	--	--	--
Corrections	--	--	--	--	--	--	--	$ 21,351	--
Education	--	--	--	$ 608	--	--	--	20,001	$ 8,203
Labor	--	--	--	$ 2,821	$ 1,201	$ 3,371	--	--	6,333
Licensing & Regulation	--	--	--	--	--	4,571	--	--	--
Management/ Budget	--	958	861	--	13,108	--	--	--	--
Mental Health	196	--	3,274	--	1,725	--	$ 1,575	719,341	1,353
Natural Resources	--	22,147	--	--	--	--	--	--	--
Public Health	21,201	9,466	394	3,823	89,454	9,101	333	27,968	20,318
Social Services	--	--	810	--	--	1,190	--	--	1,065,160
State Police	--	--	1,968	1,968	5,617	2,174	--	--	--
Transportation	--	--	--	--	6,733	--	--	--	--
TOTAL	$22,846	$34,031	$ 6,907	$ 9,220	$117,838	$41,949	$ 1,908	$788,661	$1,101,367
$2,124,727	1.08%	1.60%	0.33%	0.43%	5.55%	1.97%	0.09%	37.12%	51.84%

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Table G

STATE GOVERNMENT HEALTH EXPENDITURES BY CATEGORY BY DEPARTMENT
FY82
(Actual Dollars)
(in thousands)

	Detection & Screening	Environmental Protection	Health Data, Evaluation, Policy & Planning	Health Education & Promotion	Prevention	Regulation	Research	Treatment (D)	Treatment (F)
Agriculture	--	$ 2,374	--	--	--	$ 5,172	--	--	--
Attorney General	--	--	--	--	--	1,855	--	--	--
Civil Service	$ 1,642	--	--	--	--	--	--	--	--
Commerce	--	56	--	--	--	13,669	--	--	--
Corrections	--	--	--	--	--	--	--	$ 19,329	774
Education	--	--	--	$ 501	--	--	--	18,362	$ 8,016
Labor	--	--	--	2,909	$ 1,477	2,639	--	--	19,610
Licensing & Regulation	--	--	--	--	--	3,085	--	--	--
Management/ Budget	--	339	$1,018	--	$ 21,008	--	--	--	--
Mental Health	194	--	1,871		1,378	--	$ 1,212	808,724	999
Natural Resources	--	26,226	--	--	--	--	--	--	--
Public Health	20,568	10,513	454	4,671	85,476	8,590	383	30,550	23,516
Social Services	--	--	418	--	--	1,431	--	--	1,321,956
State Police	--	--	1,979	1,979	5,627	1,154	--	--	--
Transportation	--	--	--	--	6,577	--	--	--	--
TOTAL	$22,404	$39,508	$ 5,740	$10,060	$121,543	$37,555	$ 1,595	$876,965	$1,374,871
$2,490,241	0.90%	1.60%	0.23%	0.40%	4.88%	1.50%	0.06%	35.20%	55.21%

Table H

STATE GOVERNMENT HEALTH EXPENDITURES BY CATEGORY BY DEPARTMENT
FY83
(Appropriated Dollars*)
(in thousands)

	Detection & Screening	Environmental Protection	Health Data, Evaluation, Policy & Planning	Health Education & Promotion	Prevention	Regulation	Research	Treatment (D)	Treatment (F)
Agriculture	--	$ 1,493	--	--	--	$ 5,976	--	--	--
Attorney General	--	--	--	--	--	2,805	--	--	--
Civil Service	$ 2,469	--	--	--	--	--	--	--	--
Commerce	--	499	--	--	--	10,800	--	--	--
Corrections	--	--	$ 1,783	--	--	--	--	$ 21,573	--
Education	--	--	--	$ 1,067	--	--	--	20,498	$ 13,755
Labor	--	--	390	3,572	$ 1,427	3,624	--	--	38,430
Licensing & Regulation	--	--	--	--	--	3,931	--	--	--
Management/ Budget	--	371	$ 971	--	$ 14,376	--	--	--	--
Mental Health	99	--	2,682	--	1,233	--		662,353	--
Natural Resources	--	39,939	--	--	--	--	--	--	--
Public Health	21,938	11,450	552	4,756	93,295	8,085	595	32,555	27,971
Social Services	--	--	460	--	795	1,351	--	--	1,321,315
State Police	--	--	3,209	3,209	10,286	2,419	--	--	--
Transportation	--	--	--	--	7,192	--	--	--	--
TOTAL	$24,502	$53,752	$10,047	$12,604	$128,604	$38,991	$ 595	$736,979	$1,401,471
$2,407,545	1.02%	2.23%	0.42%	0.52%	5.34%	1.62%	0.02%	30.61%	58.21%

* Includes Executive Order reductions, does not include supplementals.

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Table I

STATE GOVERNMENT HEALTH EXPENDITURES BY CATEGORY BY DEPARTMENT
FY84
(Appropriated Dollars)
(in thousands)

	Detection & Screening	Environmental Protection	Health Data, Evaluation, Policy & Planning	Health Education & Promotion	Prevention	Regulation	Research	Treatment (D)	Treatment (F)
Agriculture	--	$ 1,740	--	--	--	$ 6,092	--	--	--
Attorney General	--	--	--	--	--	3,037	--	--	--
Civil Service	$ 2,152	--	--	--	--	--	--	--	--
Commerce	--	56	--	--	--	10,716	--	--	--
Corrections	--	--	$ 841	--	--	--	--	$ 24,834	$ 1,052
Education	--	--	--	--	--	--	--	22,898	14,278
Labor	--	--	363	$ 4,021	$ 1,386	3,938	--	--	38,747
Licensing & Regulation	--	--	--	--	--	3,300	--	--	--
Management/ Budget	--	591	1,123	--	18,709	--	--	--	--
Mental Health	99	--	2,624	--	1,763	--	--	736,975	--
Natural Resources	--	47,404	--	--	--	--	--	--	--
Public Health	24,389	11,758	2,968	5,822	106,593	9,556	393	39,920	28,288
Social Services	--	--	2,170	--	--	1,134	--	--	1,606,691
State Police	--	--	2,482	2,482	10,086	2,295	--	--	--
Transportation	--	--	--	--	6,959	--	-	--	--
TOTAL	$26,640	$61,549	$12,571	$12,517	$145,496	$40,128	$393	$824,627	$1,688,056
$2,812,977	0.95%	2.20%	0.45%	0.45%	5.20%	1.43%	0.01%	29.32%	60.05%

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Appendix B

METHODOLOGY

Data for fiscal years 1978 through 1982 were assembled through a review of the final fiscal year expenditure printouts. Data for fiscal year 1983 were collected through a review of departmental appropriation bills enacted into law and executive order budget cuts. Fiscal year 1984 data were collected solely from enacted appropriation bills.

It is important to note that the expenditures cited in the paper include federal and state dollars which are administered through state agencies.

Classification of Expenditures

In order to determine the general purpose of state government health expenditures--that is, the uses to which public monies have been put--a nine category classification system was developed. When reviewing each individual department's budget, health-related programs were identified and sorted into one of the nine categories based upon the general thrust of the program. An administrative overhead allocation was included for each category by department, based upon an estimation of the department's general administrative cost.